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FILE 04111

DD/S 71-2944

22 JUL 1971

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Proposed Revision

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1. Attached for your concurrence is a redraft of Special Hiring Considerations, which we are sending to the coordinators for information only. We believe that in view of the changes made in the draft to accommodate recommendations made by the coordinators, further formal coordination is unnecessary.

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2. With respect to comments made by the Director of Planning, Programming, and Budgeting:

a. I recommend we retain the policy of hiring government civilian annuitants at 90 percent of the current salary of the grade and step held at time of their retirement. (See memorandum from the Director of Personnel attached.)

b. I do not agree with the FFB suggestion that a one year's restriction be placed on annuitants prior to their rehire. This would preclude the Agency from hiring annuitants whose service is needed immediately after retirement, primarily to complete projects yet unfinished, writing history, etc.

c. Since it is Agency policy to hire annuitants under certain special circumstances FFB's suggestion that we rephrase the regulations to include a clear statement of policy prohibiting the reemployment of retired annuitants would be unduly restrictive and does not reflect Agency policy on this subject.

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3. Comments received from OGC and the Plans Directorate have been accommodated in the attached draft. All the other coordinators concurred in the original proposal.


4. I request your concurrence to authenticate the attached revisions of

/s/ Robert S. Wattles

Robert S. Wattles
Acting Deputy Director
for Support

Attachments

CONCUR:



L. K. White
Executive Director-Comptroller

29 JUL 1971

Date

DD:HEP:lp (26 Jul 71)

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Next 3 Page(s) In Document Exempt

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2	7D-24 Headquarters				
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ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks:					
<p>Charlie,</p> <p>Addressed to you rather than Ex Dir. on assumption DDS wants to respond and may or may not agree with all points covered herein.</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
Director of Personnel					
5E-56 Headquarters					
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9 JUN 1971

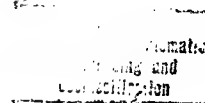
MEMORANDUM FOR: Deputy Director for Support**ATTENTION** : Executive Officer to the Deputy Director for Support**SUBJECT** : Review of the 90% Rule

1. At your request, I have reviewed the 90% rule we use for retired annuitants.

2. The 90% rule is rooted in the Agency's unique early retirement program which applies to employees under both the CIA Retirement and Disability System (CIARDS) and the Civil Service Retirement System (CSRS). It is obviously in the Agency's best interests to avoid internal or external charges that we are applying the early retirement program selectively. Re-engaging significant numbers of early retirees could invite such a charge, either from Congress or from an Agency employee who wanted a contract after retirement but was not given one. As a result, the Agency has adopted a conscious negative policy toward the use of its retired civilian annuitants. To keep the total number of annuitants as small as possible, it has applied the same negative approach to civilian annuitants of other Government agencies seeking employment with us.

3. To give the policy bite, the approval authority for rehire has been set at a high level. The Deputy Director concerned and the Director of Personnel are charged with assessing each case. In addition, if the situation is peculiar in any respect or the individual was a supergrade employee, I submit the case to the Executive Director-Comptroller for his consideration. This high approval level has proved to be a substantial deterrent. Unless a solid justification can be prepared, the case is rarely put in process.

4. As an integral part of our negative policy we have limited the compensation payable to retired annuitants. This limitation insures that a rehired annuitant will not have a greater income from the Government after retirement than before. Our original notice on the subject evoked the 100% rule, i.e., an individual's Agency compensation plus his annuity could not exceed the current salary of the grade and step he held at the time of retirement. The 100% rule was reduced to 90% in 1967. This was done to increase the deterrent effect. Equally important, the reduction recognizes certain differences in 'take-home pay', i.e., an annuitant carries free FEGLI, normally performs less 'responsible' assignments and does not have 7% retirement deductions taken from his annuity and salary. Since 1967, the number of rehired annuitants has remained relatively constant, ranging between 125 and 140.

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5. In my opinion, the negative Agency policy on rehiring civilian annuitants is the correct one. I am also of the opinion that the 90% rule is equitably sound and does have merit as an additional deterrent. I recommend that it be continued.

/s/Harry B. Fisher

Harry B. Fisher
Director of Personnel

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